

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF MINNESOTA**

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In re:

**Jointly Administered under  
Case No. 08-46617**

Polaroid Corporation, et al.,

08-46617 (GFK)

Debtors.

(includes:

Polaroid Holding Company;

08-46621 (GFK)

Polaroid Consumer Electronics, LLC;

08-46620 (GFK)

Polaroid Capital, LLC;

08-46623 (GFK)

Polaroid Latin America I Corporation;

08-46624 (GFK)

Polaroid Asia Pacific LLC;

08-46625 (GFK)

Polaroid International Holding LLC;

08-46626 (GFK)

Polaroid New Bedford Real Estate, LLC;

08-46627 (GFK)

Polaroid Norwood Real Estate, LLC;

08-46628 (GFK)

Polaroid Waltham Real Estate, LLC)

08-46629 (GFK)

Chapter 11 Cases  
Judge Gregory F. Kishel

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**ORDER AUTHORIZING DEBTOR TO ASSUME AND ASSIGN CONTRACTS TO  
SUCCESSFUL BIDDER**

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This matter came on before the Court on April 30, 2009 on the Motion of Polaroid Holding Company, Polaroid Corporation, Polaroid Consumer Electronics, LLC, Polaroid Capital, LLC, Polaroid Latin America I Corporation, Polaroid Asia Pacific, LLC, Polaroid International Holding, LLC, Polaroid New Bedford Real Estate, LLC, Polaroid Norwood Real Estate, LLC and Polaroid Waltham Real Estate, LLC (collectively “Debtors” or “Polaroid”) for authorization to assume and assign certain executory contracts and unexpired leases, the Acquired Contracts, to PLR Acquisition, LLC (“Buyer”) pursuant to § 365.

Appearances were as noted on the record. Based on the arguments of counsel, moving documents and the record made at the hearing,

IT IS HEREBY ORDERED:

1. The requirements of section 365(b)(1) of the Bankruptcy Code with respect to those contracts and items as attached as Exhibit A to the Notice of Change (the "Acquired Contracts") are hereby deemed satisfied, and the Debtors are hereby authorized and empowered in accordance with sections 105(a), 363 and 365 of the Bankruptcy Code to (a) sell, assume and assign to Buyer, the Acquired Contracts pursuant to the Purchase Agreement free and clear of all Claims or Interests of any kind or nature whatsoever other than the Assumed Liabilities and (b) execute and deliver to Buyer such documents or other instruments as Buyer reasonably deems necessary to assign and transfer the Acquired Contracts and Assumed Liabilities to Buyer.

2. Those Acquired Contracts transferred and assigned to the Buyer shall remain in full force and effect for the benefit of Buyer notwithstanding any provision in any such Acquired Contract (including those of the type described in sections 365(b)(2) and (f) of the Bankruptcy Code) that prohibits, restricts, or conditions such assignment or transfer. The Debtors may assume and assign and sell each such Acquired Contract in accordance with sections 105, 363 and 365 of the Bankruptcy Code and any provisions in any such Acquired Contract that prohibit, restrict or condition the assignment of such agreement or allow the non-Debtor party to an Acquired Contract to terminate, recapture, impose any penalty, condition renewal or extension, or modify any term or condition upon the assignment of such Acquired Contract, constitute unenforceable anti-assignment provisions which are void and of no force and effect. All other requirements and conditions under sections 363 and 365 of the Bankruptcy Code for the assumption by the Debtors and/or assignment to the applicable

Buyer of each such Acquired Contract have been satisfied and, in accordance with sections 363 and 365 of the Bankruptcy Code, and upon assumption of the Acquired Contracts to the Buyer, the Buyer shall be fully and irrevocably vested in all right, title and interest of each Acquired Contract assigned to such Buyer.

3. All defaults or other obligations of any Debtor under any Acquired Contract identified by the Buyer as included on Schedule 1.1(c) at the closing of the sale to the Buyer (“Closing”) or designated as an Acquired Contract thereafter which arises or accrues prior to the Closing (without giving effect to any acceleration clauses or any default provisions of the kind specified in section 365(b)(2) of the Bankruptcy Code) shall be cured by the applicable Debtor or the Buyer at Closing (or in the case of a later designation, at the time of such designation) or as soon thereafter as practicable by payment of the Cure Costs, in accordance with the Purchase Agreement. Neither Buyer, nor any affiliate of Buyer, shall have any Liability arising or accruing prior to the date of the Closing, except as otherwise expressly provided in the Purchase Agreement. Pursuant to section 365(k) of the Bankruptcy Code, the Debtors and their estates shall not have any Liability for any default or other obligation under an Acquired Contract assumed by Buyer at Closing (and which Closing and assumption is not subsequently impaired on appeal) arising or occurring after the Closing, and all non-Debtors to such Acquired Contracts under those conditions are forever barred and estopped from asserting any such breaches against the Debtors, their successors or assigns, their property or their assets or estates.

4. Each non-Debtor party to an Acquired Contract assumed by Buyer at Closing (and which Closing and assumption is not subsequently impaired on appeal) hereby is forever barred, estopped, and permanently enjoined under those conditions from:

(i) asserting against the Debtors or Buyer (except for timely asserted Cure Costs), or the property of any of them (including the Acquired Assets), any default arising prior to or existing as of the Closing or, against Buyer (or any affiliate of Buyer), any counterclaim, defense, setoff or any other Claim asserted or assertable against a Debtor with respect to a default arising prior to the Closing; and (ii) imposing or charging against Buyer (or any affiliate of Buyer) any rent accelerations, assignment fees, increases or any other fees as a result of the Debtors' assumption and assignment to Buyer of the Acquired Contracts. The validity of such assumption and assignment of Acquired Contracts shall not be affected by any dispute between any Debtor and any non-Debtor party to an Acquired Contract.

5. Notwithstanding anything to the contrary herein (other than protections afforded pursuant to section 365(k) of the Bankruptcy Code), nothing in this Order shall release or discharge the Debtors from any Liability or obligation to the Buyer under the Purchase Agreement with respect to an Acquired Contract.

6. Notwithstanding anything to the contrary herein, nothing in this Order shall release or discharge the Buyer from any Liability or obligation to the Sellers under the Purchase Agreement with respect to an Acquired Contract.

7. This Order does not resolve the objections of Global Industrial Services Limited, Harmer Holdings, LLC and Lorence Harmer (the "Harmer Group") or the objections of Sears Holding Management Corp. ("Sears Holding"). The resolution of those objections shall be subject to further notice and continued hearing. The Harmer Group, Sears Holding and the Debtors reserve all their rights with respect to those objections. Without limiting the generality of the foregoing, the Debtors reserve the right to withdraw the request for relief with respect to the contracts that are subject to the objections of the

